PRESS RELEASE
MARCH 03, 2015

LUKOIL NET INCOME AND EBITDA EXCLUDING NON-CASH WRITE-OFF REACHED $7.1 BILLION AND $18.4 BILLION IN 2014

LUKOIL has published consolidated US GAAP financial statements for 2014.

The Company's 2014 net income reached $4,746 million. EBITDA (earnings before interest, taxation, depreciation and amortization) reached $15,982 million in 2014. Sales revenues were $144,167 million (+1.9% y-o-y). The changes in ruble-nominated revenues were significantly affected by the ruble devaluation.

Net income in 2014 was negatively affected by $2,341 million non-cash losses due to asset impairment in Russia, Ukraine, Western Africa and Kazakhstan. Excluding the non-cash losses net income was $7,087 mln and EBITDA was $18,426 mln.

Free cash flow in 2014 amounted to $925 million. Capital expenditures were $15,391 million in 2014.

Hydrocarbon lifting costs in Russia decreased by 23% in the fourth quarter of 2014 and reached $4.30 per boe. In 2014, hydrocarbon lifting costs amounted to $5.74 per boe.

In 2014, LUKOIL Group total hydrocarbon production available for sale increased by 5.1% y-o-y and reached 2,314 thousand boe per day. Crude oil production of LUKOIL Group in 2014 increased 7.0% to 97.208 million tonnes.

Throughput at the Company's own and affiliated refineries increased by 0.3% to 66.6 million tonnes. Throughput the Company's refineries in Russia increased 0.1%.

Consolidated Statements of Income

	2014	2013	2012
	(millions of US dollars)		
Revenues			
Sales (including excise and export tariffs)	144,167	141,452	139,171

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

Costs and other deductions			
Operating expenses	(10,115)	(10,086)	(9,359)
Cost of purchased crude oil, gas and products	(71,245)	(65,924)	(64,148)
Transportation expenses	(5,894)	(6,29)	(6,171)
Selling, general and administrative expenses	(3,858)	(3,849)	(3,755)
Depreciation, depletion and amortization	(8,816)	(5,756)	(4,832)
Taxes other than income taxes	(12,892)	(13,803)	(13,666)
Excise and export tariffs	(21,364)	(22,334)	(22,836)
Exploration expense	(1,104)	(602)	(364)
(Loss) gain on disposals and impairments of assets	(1,753)	(2,561)	30
Income from operating activities	**7,126**	**10,247**	**14070**
Interest expense	(637)	(488)	(538)
Interest and dividend income	275	239	257
Equity share in income of affiliates	552	575	518
Currency translation loss	(355)	(443)	(512)
Other non(operating expense (income)	(189)	328	(72)
Income before income taxes	**6,772**	**10,458**	**13,723**
Current income taxes	(2,876)	(2,051)	(2,738)
Deferred income taxes	818	(780)	(60)
Total income tax expense	**(2,058)**	**(2,831)**	**(2,798)**
Net income	**4,714**	**7,627**	**10,925**
Net loss attributable to non(controlling interests	32	205	79
Net income attributable to OAO LUKOIL	**4,746**	**7,832**	**11,004**
Earning per share of common stock attributable to OAO LUKOIL			

(in US dollars):			
Basic	6.29	10.38	14.47
Diluted	6.20	10.18	14.17

Full consolidated US GAAP financial accounts of LUKOIL for 2014 are available on the Company's web sites: www.lukoil.com and www.lukoil.ru