

NEW PROXY VOTING REGULATIONS REGARDING BENEFICIAL OWNER DISCLOSURE REQUIREMENTS IN THE RUSSIAN MARKET

As part of **LUKOIL**'s ongoing efforts to ensure that shareholders are well informed on issues that could impact their investment, and to maximise the voting participation of investors, **ОАО «ЛУКОЙЛ»** has retained Sodali, a proxy solicitation firm, to facilitate the dissemination of meeting materials and answer any queries from investors and financial intermediaries related to voting at the Annual Shareholder Meeting to be held at 11:00 a.m. on **26 June 2014** at the Company's headquarters at the following location: 11, Sretensky boulevard, Moscow, Russia.

The Russian regulator recently enacted legislation (415-FZ) which has created additional requirements to exercise voting rights at the shareholder meetings of Russian issuers. This law became effective for DR holders for shareholder meetings occurring after November 6, 2013, though the first widespread application of this law will occur during the Russian proxy season, occurring during the second quarter of 2014.

Specifically, we would like to alert investors that:

- according to 415-FZ it is now required that holders of Russian securities disclose their beneficial owner information in order for their votes to be accepted at Russian shareholder meetings.

Beneficial Owner Disclosure for voting is mandatory. Should you not consent to this disclosure, your vote will not be considered valid, and will not be included in the tabulation.

Please, bear in mind that to be considered valid your votes require:

- **Clear Voting Instructions:**

Prior to the voting deadline, your bank and broker will need to send beneficial owner information for each account that has voted to Broadridge or Euroclear/Clearstream.

It is highly recommend that you contact your bank and/or broker to confirm that they are aware of the new regulation and their new responsibilities to ensure that your vote is processed correctly and validly cast.

The holders of depositary receipts (i.e., the legal owners of depositary receipts or persons holding them by virtue of any other proprietary right) and other persons exercising voting rights, have to provide the depositary bank with voting instructions (which implies that in the absence of such instructions, the bank may not be entitled to vote the shares).

- **Beneficial Owner Disclosure by your banks and brokers:**

It is very important that your bank and/or broker properly communicates your beneficial owner information (**name in full, address – it is mandatory to insert street, postal/zip code and city - country of incorporation or residence, number of shares and voting instructions**) to the depository bank through third party agents, respecting the format required.

- **Respect of specific deadlines:**

The DR Voting Instruction Form specifies a date by which the depository must receive voting instructions from registered holders. However, please be advised that Global Custodians (GCs), Local Custodians (LCs) and Electronic Voting Platforms (EVPs) have internal deadlines for accepting shareholders' votes. These may differ from those of the depository. Please check with your representatives in those institutions (GCs, LCs and EVPs) for their deadlines.

(Note: voting deadline set by your bank/broker or Euroclear/Clearstream typically is earlier than the one established by BNYM).

OAO «LUKOIL» invites and asks all shareholders to participate at the Annual General Meeting and to exercise their shareholder rights taking care of the new requirements and deadlines.

Please note that if you are a Euroclear client and you have any questions, you should contact your Euroclear account manager at +32 (0)2 326 2812 or follow the instructions on their website at www.euroclear.com.

If you are a Clearstream client and you have any questions, you should contact Miloslav Lasanda, Proxy Voting and Disclosures, at: e-mail: miloslav.lasanda@clearstream.com; phone: +420 296 429 327; Clearstream Operations Prague s.r.o., Futurama Business Park Building B, Sokolovska 662/136b, CZ-186 00 Prague 8, Czech Republic; <http://www.clearstream.com>.

If you require any clarification with the process or have any difficulty in returning the proxies, please contact Sodali as soon as possible:

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IMPORTANT: This Letter (the "Letter") has been prepared by Sodali to provide a summary of certain Russian law considerations in connection with voting by ADR holders. This Letter does not purport to be a legal opinion or to address all legal aspects that may be relevant to you. You are urged to consult your own legal and/or other advisors on the matters relevant to your voting of LUKOIL's ADRs. Neither Sodali nor LUKOIL or their respective affiliates, officers, directors, employees and agents accept responsibility or liability for this Letter or its contents. No representation or warranty is made as to the accuracy or completeness of the Letter or its content. The Letter is not exhaustive and does not serve as legal, accounting or tax advice. Nothing herein shall be taken as constituting the giving of investment advice and this Letter is not intended to provide, and must not be taken as, the basis of any decision. The recipient must make its own independent assessment and such investigations as it deems necessary. Nothing in this Letter is intended to create or shall be construed as creating any fiduciary relationship between Sodali, LUKOIL and the recipient.