



## Alliance Oil Company announces 2014 IFRS consolidated financial results

April 30, 2015

Alliance Oil Company (hereinafter – the “Company”) published its audited consolidated financial results for the 12 months ended December 31, 2014, prepared under International Financial Reporting Standards (IFRS), on its website [www.allianceoilco.com](http://www.allianceoilco.com) today.

In particular, the Company reports the following year-end 2014 results:

### Financial results

- Revenue 2014 of MUSD 3,505 (MUSD 3,746 in 2013) *including revenue Q4 2014 of MUSD 697 (MUSD 950 in Q4 2013)*
- EBITDA 2014 of MUSD 667 (MUSD 696 in 2013) *including EBITDA Q4 2014 of MUSD 129 (MUSD 197 in Q4 2013)*
- Loss for 2014 of MUSD 209 resulting from a FX loss of MUSD 418 (Profit of MUSD 65 in 2013) *including a loss for Q4 2014 of MUSD 205 caused by a FX loss of MUSD 252 (loss of MUSD 81 in Q4 2013)*

### Operational Results

- 20.7 mboe produced in 2014 and 5.1 mboe in Q4 2014 (21.9 mboe in 2013 and 5.6 mboe in Q4 2013)
- 33.1 mbbl of oil refined in 2014 and 8.3 mbbl in Q4 2014 (32.7 mbbl in 2013 and 8.3 mbbl in Q4 2013)

Despite unstable macroeconomic conditions in the Russian Federation, significant foreign currency exchange rate fluctuations and financial market instability, the Company’s new management successfully overcame the difficulties and challenges of 2014.

2014 highlights

### Upstream segment

- Company management conducted a large-scale review of production programs and capital expenditures of production projects aimed at their ranking and optimization

- Priority is given to high technology operations with mature assets that generate sufficient cash flow and ensure a plateau production rate.

#### Downstream segment

- The Company completed the large-scale reconstruction of the Khabarovsk refinery, launched hydrogenation process units (diesel fuel and kerosene hydrotreating, hydrocracking, hydrogen production, sulfur recovery and granulation units) and raw material preparation block of the bitumen unit (vacuum unit)
- Start of Euro 5 diesel production
- 3% increase in Euro-5 high-octane gasoline production (+ 18 thousand tons)

#### Retail segment

- The Company increased the profitability of operations by focusing on high-margin products and markets
- The Company acquired 18 fuel stations, 2 marine depots and 1 airport fuel depot in the Russian Far East strengthening its position in the oil products retail market.

Adjusted Net profit for 2014 (excluding foreign currency exchange loss) totaled MUSD 210 as compared to adjusted Net profit for 2013 totaling MUSD 160 (excluding foreign currency exchange loss and a one-off impairment charge on investments) increased by 31%. This growth is attributable primarily to operations in the downstream segment which was achieved by redirecting sales to higher-margin markets.

Despite the fact that last year's events will most likely continue to negatively affect the oil and gas industry in 2015, the Company is confident of its fundamental strengths and looks forward with optimism.

**On April 30, 2015** Alliance Oil Company's representatives will discuss its financial results for the 12 months ended December 31, 2014 during the conference call scheduled for 16.00 Moscow time (14.00 – London, 9.00 – New York).

To participate in the conference call, please dial one of the following numbers\*:

**English Call ID 38095736**  
**(presentation and Q&A session)**

**Russian Call ID 38096247**  
**(simultaneous translation, no questions allowed)**

**Participant dial-in numbers:**

UK (Standard International):	+44 (0) 1452 589 328
Russia:	+7 499 922 86 67
USA :	+1 347 772 8942
Sweden:	+46 85 061 9661
Finland:	+358 92 319 4470
Germany:	+49 692 222 2573
Austria:	+43 125 302 1690
Switzerland:	+41 44 580 7125
France:	+33 17 672 8928
Hong Kong (Free Call):	8009 332 70
Taiwan (Free Call):	0080 114 8495
Singapore (Free Call):	8004 411 372

**Encore Replay will be available until 13<sup>th</sup> May 2015**

Encore Replay International dial-in number: +44 (0) 1452 55 0000

Encore Replay USA dial-in number: +1 (866) 247 4222

Encore Replay Russia dial-in number: +7 (499) 677 1064

**English Replay ID: 38095736**

**Russian Replay ID 38096247**

*\* Alliance Oil Company assumes no responsibility for the inaccessibility of the toll free numbers listed above.*

## **DISCLAIMER**

*This press release includes "forward-looking statements" which involve uncertainties and risks. Forward-looking statements include statements concerning AOC plans, objectives, goals, strategies, future events, future revenues, future results and performance, expectations, plans or intentions relating to acquisitions and other matters, business trends and other information that is not historical, including statements regarding estimates of AOC growth targets or other future financial results. When used in this press release, words such as "anticipates," "aspirational," "estimates," "expects," "goals," "intends," "believes," "forecasts," "targets," "objectives" and variations of such words or similar expressions are intended to identify forward-looking statements. All forward-looking statements, including, without limitation, estimates of AOC future financial results, are based upon our expectations at the time we make them and various assumptions. Our expectations, beliefs, projections and growth targets are expressed in good faith, and we believe there is a reasonable basis for them. However, there can be no assurance that management's expectations, beliefs, estimates or growth targets will be achieved, and AOC's actual results may differ materially from our expectations, beliefs, estimates and growth targets.*

*AOC as a group has experienced fluctuating revenues, operating income and cash flow in prior periods and expects that this will occur from time to time in the future. Other factors that could cause such differences include declines in demand for, or changes in, the mix of products that we offer, the mix of the geographic locations where our business is located, adverse financial, real estate or other market and general economic conditions, which could impact each of our segments differently, the pace and timing of the consummation and integration of past and future acquisitions, AOC's ability to realize cost savings and efficiencies, competitive and general economic conditions, retention of staff and clients and other risks. AOC is under no duty to update any of the forward looking statements to conform such statements to actual results or events and do not intend to do so.*

***Alliance Oil Company Ltd is a leading independent oil and gas company with vertically integrated operations in Russia and Kazakhstan. Alliance Oil has substantial oil and gas reserves and downstream operations that include the Khabarovsk refinery and the leading network of gas stations and wholesale oil products terminals in the Russian Far East.***