PRESS RELEASE
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LUKOIL AND ERG RENEW ESTABLISH JOINT VENTURE IN RENEWABLE ENERGY SECTOR

OOO LUKOIL Ecoenergo (an OAO LUKOIL wholly-owned subsidiary) and the Italian company ERG Renew signed an agreement in Vienna today on the establishment of a joint venture, LUKErg Renew, on a parity basis.

LUKErg Renew will be established within the scope of the Memorandum of Understanding signed in July, 2010 between LUKOIL and ERG for cooperation in the market of renewable energy sources.

The joint venture will implement projects in the sphere of renewable energy use. The joint venture will initially focus its operations in Bulgaria and Romania, followed by Ukraine and Russia, in accordance with the business plan to be agreed over the coming months and approved by the end of the year.

LUKErg Renew's initial share capital of Euro 35 thousand will be paid by each shareholder on a pro rata basis. The creation of the company is subject to approval by the Antitrust Authority.

LUKOIL Ecoenergo's business priorities include projects on water, wind and solar energy use. The enterprise began operating at the beginning of 2011. Currently the organization comprises Belorechenskaya, Krasnopolyanskaya, Maikopskaya and Tsimlyanskaya hydraulic power stations with a total capacity of 296.8 MW.

ERG Renew is part of ERG Group (Italy) and conducts its activities in the sphere of renewable energy sources mainly in the wind sector. As regards to Italy, there are currently 8 wind farms in operation, with a total installed capacity of 246 MW; in France the Company owns 6 wind farms with a total installed capacity of 64.4 MW.

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