PRESS RELEASE
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LUKOIL REPORTS ON THE STATUS OF HEALTH, SAFETY AND ENVIRONMENT

The OAO LUKOIL Management Committee reviewed the annual report titled "The Status of Health, Safety and Environment in OAO LUKOIL in 2010."

The report notes that the basic indicators of the LUKOIL Group's HSE status in 2010 improved year-on-year and the Company maintained its leading positions in this area in Russia's oil and gas industry.

In 2010, environmental protection costs increased by 71% year-on-year and reached USD 715 million.

In 2010, Company spending on industrial safety, improvement of working conditions, occupational safety and health, emergency prevention and response reached USD 212 million (a 41% increase year-on-year).

During the program implementation, the Company succeeded in mitigating its production and professional risks in the field of fire safety, emergency prevention and response. The Company also purchased equipment and protection tools, performed activities aimed at improving sanitary and living conditions and procuring general medical equipment.

The employee health and vacation benefits and costs paid in 2010 increased by 10% as compared with 2009 and exceeded USD 95 million.

LUKOIL is a participant in the Federal Target Program for "Fire Safety in the Russian Federation for the Period until 2012." In 2010, over USD 3.3 million were spent on fire prevention activities.

2010 witnessed more than 90 emergency response exercises and training sessions in respect of crude oil and petroleum-product spills. The Company conducted a command and staff training on oil and gas blowouts response in well drilling and operation on the fixed offshore ice-resistant platform at Yury Korchagin field in the Caspian Sea.

The 2011 estimated environmental protection costs are likely to reach about USD 1 billion.

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