PRESS RELEASE
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LUKOIL GUARANTEES HIGH STANDARDS IN HEALTH, SAFETY AND ENVIRONMENT

The OAO LUKOIL Management Committee reviewed the annual report titled "Health, Safety and Environment in OAO LUKOIL in 2011". The report is an approved method to study the performance of the HSE management system by the Company's management.

Specifically, the report states that the major health and safety indicators for LUKOIL Group organizations improved in 2011 as compared with the similar indicators in 2010. The Company remains one of the health and safety leaders among other companies of the Russian oil and gas industry.

Over RUR 22.2 billion was allocated to environmental protection in 2011 (RUR 21.7 billion in 2010). The financing volume of the Program for Industrial Safety, Labor Conditions Improvement and Protection and Emergency Response topped RUR 8.69 billion (RUR 7.70 billion in 2010).

The Company registered no emergencies in 2011, nor in any previous years.

Thirty command-staff exercises and trainings, 83 integrated trainings, 6 special tactical training exercises, as well as more than 90 maneuvers and training sessions aimed at emergency response to oil and petroleum-product spills were conducted in 2011.

Protection of employees' health is one of the Company's major priorities and serves as the basis for its social policy. The Company allocated RUR 3.37 billion towards the payment of various benefits, as well as for the rehabilitation and recreation of employees in 2011 (RUR 2.95 billion in 2010).

The 2012-2021 Strategy of LUKOIL Group comprises a functional development program in the area of environmental protection, which provides for:

- attainment of a 95-percent level of associated petroleum gas utilization;

- termination of discharges of contaminated waste waters into water bodies;

- lower emissions of greenhouse gases and extra income due to implementation of

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the Kyoto Protocol mechanisms.