PRESS RELEASE
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LUKOIL WINS THE BIDDING FOR FEDERAL SUBSOIL USE

OOO LUKOIL-West Siberia (a wholly-owned OAO LUKOIL subsidiary) has won the bidding for the use of a subsoil site of federal importance, including the Imilorskoye+West Imilorskoye and Istochnoye fields located in Khanty-Mansi Autonomous District -Yugra.

The Company offered a one-time payment for the subsoil use in the amount of RUR 50.8 billion, which amounts to USD 1.2 per barrel of prospected and evaluated reserves.

Two oil fields have been discovered at the site area: Imilorskoye+West Imilorskoye (1987) and Istochnoye (1988).

As of January 1, 2011, the oil in place and the recoverable oil reserves at the site total, respectively, 855.5 million tons and 193.7 million tons in the C1 and C2 categories combined.

The site is located in Surgutsky Region of Khanty-Mansi Autonomous District - Yugra 65 kilometers south-west of Noyabrsk (Yamalo-Nenets Autonomous District). At a 29-kilometer distance from the center of the site, there is a so-called communications corridor comprising the Surgut-Noyabrsk highway with a heavy-duty road surfacing, a main oil pipeline connecting the Kholmogory pump station with that at West Surgut, power transmission lines with a voltage of 500, 220, and 110 kV and also a gas pipeline from the Kholmogory compressor station to the Surgut gas processing plant. There is a commercial oil pipeline 15 kilometers to the east of the eastern border of the site and two trunk pipelines, oil and gas, running 55 kilometers to the east of the eastern border of the site.

The subsoil use license will be valid for 20 years.

Under the bidding terms, the Company intends to send 30% of the oil produced to the Perm refinery, a LUKOIL Group asset.

Imilorskoye field is located in close proximity to Tevlinsko-Russkinskoye field, the largest one LUKOIL is developing. Geologically, the two fields are close analogues. The area where Imilorskoye field is situated is well fitted out and possesses all the necessary production and transportation infrastructures, which makes it possible to

develop it fairly quickly and achieve maximal economic and synergetic effects.

Obtaining licenses to develop large fields like this will result in a substantial reserves increment and higher production rates in Western Siberia, a strategic region for LUKOIL.