PRESS RELEASE
DECEMBER 11, 2009

LUKOIL BECOMES OWNER OF 100 PER CENT OF LUKARCO

LUKOIL bought out a 46 per cent stake in the LUKARCO B.V. joint venture from British Petroleum today.

Thus, LUKOIL has become owner of a 100 per cent stake in LUKARCO B.V.

The transaction amount came to USD 1.6 billion, which will be paid in cash in three installments over the next two years.

LUKARCO B.V. owns a 5 per cent share in TengizChevroil (TCO), a joint venture which develops the Tengiz and Korolevskoye fields in Kazakhstan. As a result of the transaction LUKOIL proved reserves increased by 102.0 million barrels of oil and 129.8 billion cubic feet of gas, the oil production increment amounted to more than 13,000 barrels a day.

LUKARCO B.V. also owns a 12.5 per cent share in the Caspian Pipeline Consortium (CPC) carrying oil from Kazakhstani and Russian oil fields to the Novorossisk terminal. At present, CPC has the capacity to carry up to 28.2 million tons a year and ultimately the throughput capacity is expected to reach 67 million tons a year.

‘Consolidation of LUKARCO B.V. assets will strengthen LUKOIL positions, particularly in Kazakhstan, and generally in the Caspian Sea region’, Vagit Alekperov, OAO LUKOIL President, said.

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