PRESS RELEASE
DECEMBER 02, 2010

LUKOIL PLEDGES COOPERATION WITH THE KHANTY-MANSI AUTONOMOUS DISTRICT-YUGRA

Vagit Alekperov, OAO LUKOIL President, and Natalya Komarova, Governor of the Khanty-Mansi Autonomous District-Yugra, signed a cooperation agreement between the Company and the District in Kogalym today.

According to the document, the parties will team up to create favorable conditions for geological exploration of subsoil areas located within the territory of the autonomous district, including enhanced exploration capabilities of oil and gas fields, for increased investments into replenishment of the hydrocarbon material base, for oil recovery enhancement and also for introduction of innovations and cutting-edge technologies into subsoil geological exploration, oil and gas production, transportation and refining.

Under the agreement, LUKOIL Group enterprises will also come up with a set of measures aimed at more efficient utilization of associated petroleum gas, ensuring a utilization level of at least 95% by 2012 and keeping these measures in compliance with license agreements.

LUKOIL enterprises will also participate in the events organized by the District government with the aim of marketing the Khanty-Mansi Autonomous District as an investment-attractive region and also sponsor such events.

Under the agreement, OOO LUKOIL-Zapadnaya Sibir will allocate funds for the construction of social facilities. Specifically, in 2011 the scope of the financing will exceed RUR 1.166 billion, of which over RUR 535 million will be allocated to construction, reconstruction and redevelopment activities in Kogalym, RUR 182 million in Langepas, and RUR 134 million in Urai.

The agreement will be effective from January 1, 2011 to January 1, 2014. The former cooperation agreement between LUKOIL and the Khanty-Mansi Autonomous District-Yugra will cease to be effective from the 1st of January, 2011.

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