PRESS RELEASE
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LUKOIL AND YAMALO-NENETS AUTONOMOUS DISTRICT PLEDGE COOPERATION

Vagit Alekperov, OAO LUKOIL President, and Dmitry Kobylkin, Governor of the Yamalo-Nenets Autonomous District, signed a cooperation agreement between the Company and the District in Moscow today.

The agreement defines the main areas of cooperation that will focus on creating favorable conditions for the geological exploration of subsoil areas, on increasing the investment volumes of oil- and gas-field exploration projects, on maintaining the hydrocarbon raw material production rate, on ensuring the maximum possible utilization rate of associated petroleum gas under the terms of license agreements and also on introducing innovations and cutting-edge techniques in the areas of oil and gas exploration, production, treatment and processing.

The Agreement also states the parties' mutual interest in the implementation of projects and programs on the environmental protection arena and also in efficient use of natural resources within the territory of the autonomous district.

LUKOIL Group’s enterprises will help develop the industrial and scientific potential of the YNAD by engaging research, design and contracting organizations registered in the territory of the autonomous district in tenders for performing work, rendering services and supplying goods within the framework of the Company’s investment projects.

Under the Agreement, LUKOIL will continue investing in different social projects and conduct charitable and sponsorship activities in the YNAD.

Specifically, in 2011 the Company will finance development of the Synsko-Voykarsky natural park of regional importance in the amount of RUR 51.32 million.

The Agreement will come into force on January 1, 2011 and be valid until December 31, 2013. The previous cooperation agreement between the Yamalo-Nenets Autonomous District and OAO LUKOIL concluded in June 2007 will cease to be in effect.

Over the past period, dozens of social projects were implemented with LUKOIL

support in the Purovsky and Tazovsky districts. For instance, residential and administrative buildings were constructed in the Nakhodka settlement, administrative and living quarters were erected in the Samburg settlement, houses for the indigenous people of YNAD were purchased and assembled, and support was rendered to the Purovsky farm, the agricultural society “Tasu-Yava Community Union” and children's cultural institutions.