PRESS RELEASE
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WEST QURNA-2 PROJECT: COMMUNITY OUTREACH COMMITTEE HOLDS MEETING

A visiting session of the Community Outreach Committee working within the framework of Iraq's West Qurna-2 project took place in Moscow today.

The Committee, established last autumn, includes managers of the operating company LUKOIL Mid-East Ltd. and of Statoil (as a partner in the consortium of the project contractors), and also representatives of the Basra Provincial Council (parliament), the Ministry of Oil of Iraq, the South Oil Company, the Oil Police and the City Executive Board of Madeina, a town located in the vicinity of the West Qurna-2 field. Farid Khaled Ali, Chairman of the Committee, is a professional in the oil industry with vast experience, a prominent regional politician and Chairman of the Commission for Oil and Gas under the Basra Provincial Council.

The Committee holds regular meetings with citizens of the province, ensures their employment with the contracting companies, considers complaints and proposals, analyzes information and determines the legal status of landowners and land users within the boundaries of the contract area. The Committee also assists the operating company in settling disputes, including those connected with the allotment of land and with compensations paid for alienated land plots. The Committee and the operating company have jointly established a community liaison office in Madeina.

Employment of more than five hundred locals is considered one of the most significant results of the Committee's performance, the majority of the people being employed by the Oil Police and by various service companies, including G4S (demining of the contract area), TerraSeis (seismic studies), Sima Baghdad (backfill of well pads and laying of access routes), GCC (construction of a shift camp) and Kentz (engineering design). Additionally, more than 200 people will soon be given jobs at the field. The Committee also monitors compliance with the Iraqi labor legislation in relation to local residents employed under the project.

The agenda of the Community Outreach Committee's two-day visit to Moscow also provides for a meeting with the top managers of LUKOIL Overseas and OAO LUKOIL, a visit to the Company's museum with an introduction to its social policy and a meeting with deputies of the Russian Federation State Duma.

Press Centre PJSC "LUKOIL"
Phone:
E-mail: media@lukoil.com